McDowell Rackner & Gibson PC

WENDY MCINDOO
Direct (503) 595-3922
wendy@mcd-law.com

May 13, 2011

VIA ELECTRONIC AND U.S. MAIL

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

Re: UM 1396 – In the Matter of the Public Utility Commission of Oregon Investigation into Determination of Resource Sufficiency Pursuant to Order No. 06-538

Attention Filing Center:

Enclosed for filing in the above-referenced docket are an original and five copies of Idaho Power's Opening Comments.

A copy of this filing has been served on all parties to this proceeding as indicated on the attached certificate of service. Please contact me with any questions.

Very truly yours,

Wendy McIndoo

Wendy McIndoo
Legal Assistant

Enclosures
cc: Service List

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in Docket UM 1396 on the following named person(s) on the date indicated below by email and first-class mail addressed to said person(s) at his or her last-known address(es) indicated below.

PacifiCorp Oregon Dockets
825 NE Multnomah St. Ste. 2000
Portland, OR 97232
oregondockets@pacificorp.om

Jordan White
Pacific Power & Light
jordan.white@pacificorp.com

Stephanie S. Andrus
Department of Justice
Regulated Utility & Business Section
stephanie.andrus@doj.state.or.us

Ed Durrenberger
Public Utility Commission of Oregon
ed.durrenberger@state.or.us

Janet L. Prewitt
Department of Justice
Janet.prewitt@doj.state.or.us

Will K Carey
Annala, Carey, Baker, et al., PC
wcarey@hoodriverattorneys.com

Irion Sanger
Davison Van Cleve PC
333 SW Taylor - Ste 400
Portland OR 97204
mail@dvclaw.com

Donald Schoenbeck
Regulatory & Cogeneration Services, Inc.
900 Washington Street, Suite 780
Vancouver, WA 98660
dws@r-c-s-inc.com

Matt Krumenauer
Oregon Department Of Energy
Matt.krumenauer@State.Or.Us

Vijay A. Satyal
Oregon Department of Energy
vijay.a.satyal@state.or.us

John Lowe
Renewable Energy Coalition
jravenesanmarcos@yahoo.com

Thomas H Nelson
Attorney At Law
Nelson@Thnelson.Com

Randall Dahlgren
Rates and Regulatory Affairs
Portland General Electric
pge.opuc.filings@pgn.com

J. Richard George
Portland General Electric
richard.george@pgn.com

Bob Jenks
Citizen's Utility Board of Oregon
bob@oregoncub.org

Catriona McCracken
Citizen's Utility Board of Oregon
Catriona@oregoncub.org

Paul R. Woodin
Community Renewable Energy Assoc.
pwoodin@communityrenewables.org

Peter J. Richardson
Richardson & O'Leary PLLC
peter@richardsonandoleary.com

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

Gregory M. Adams
Richardson & O'Leary PLLC
greg@richardsonandoleary.com

David A. Lokting
Stoll Berne
209 SW Oak Street, Suite 500
Portland, OR 97204
dlokting@stollberne.com

John M. Volkman
Energy Trust of Oregon, Inc.
John.volkman@energytrust.org

Elaine Prause
Energy Trust of Oregon, Inc.
Elaine.prause@energytrust.org

Daren Anderson
Northwest Energy Systems Company
da@thenescogroup.com

DATED: May 13, 2011

Wendy McIndoo
Legal Assistant

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1396

In the Matter of: PUBLIC UTILITY COMMISSION OF OREGON Investigation into determination of resource sufficiency, pursuant to Order No. 06-538	**Opening Comments of Idaho Power Company**

Pursuant to Administrative Law Judge ("ALJ") Patrick Power's Prehearing Conference Memorandum, Idaho Power Company ("Idaho Power" or "Company") submits the following Opening Comments to the Public Utility Commission of Oregon ("Commission").

I. INTRODUCTION

The purpose of this phase of UM 1396 is to determine how to calculate the avoided cost rate for renewable generation by Qualifying Facilities ("QFs") under the Public Utility Regulatory Policies Act of 1978 ("PURPA"). To address the treatment of renewable QFs, Idaho Power requests that the Commission authorize it to use its Integrated Resource Plan ("IRP") methodology to calculate its avoided costs for all resource types rather than the previously approved surrogate avoided resource ("SAR") method. The IRP methodology utilizes the Company's most recently acknowledged IRP along with its power cost model, AURORA, to comprehensively develop an avoided cost based upon the specific generation characteristics of particular QF projects. Adoption of the IRP methodology provides a workable solution to the issues posed by renewable QFs and results in a more accurate avoided cost rate for Idaho Power that conforms to all state and federal requirements. Thus, while the scope of this proceeding is not necessarily intended to address the underlying

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

method for calculating the avoided costs, as described below, the use of an IRP methodology does address the specific questions posed by the Commission.

The IRP methodology proposed here is currently used by the Company both here and in Idaho as a starting point in negotiations to determine the avoided cost for large QFs (*i.e.* in Oregon, a QF with a nameplate capacity larger than 10 MW and in Idaho, a QF with a total project capacity greater than 10 aMW).[1] In the context of small QFs (*i.e.* smaller than 10 MW in Oregon), the Company proposes using the IRP methodology to develop resource specific avoided costs for both renewable and non-renewable QFs. Under this proposal, the Company would develop an avoided cost rate for each type of generator, *e.g.* wind, solar, geothermal, etc., based on its unique generation characteristics. These rates would be updated every two years as part of the IRP process and made available to QFs.

This request is consistent with the treatment the Company is also seeking before the Idaho Public Utilities Commission ("IPUC").[2] Allowing the Company to use the IRP methodology in Oregon encourages administrative efficiency—the basis for the Commission's past decision to allow Idaho Power to use a different method than Portland General Electric ("PGE") and PacifiCorp.

II. BACKGROUND

The Commission opened UM 1396 to address the impact of a utility's resource position on its avoided cost calculation.[3] In the first phase of this docket, the Commission adopted policies for determining resource sufficiency or deficiency for PacifiCorp and PGE. The Commission did not adopt policies applicable to Idaho Power because it concluded that

---

[1] In Idaho, the Idaho Public Utilities Commission has issued a temporary cap of 100 kW for eligibility for wind and solar QFs to receive the published avoided cost rate. Order No. 32176, Case No. GNR-E-10-04.

[2] *See Re Commission's Investigation into Disaggregation and an Appropriate Published Avoided Cost Rate Eligibility Cap Structure for PURPA Qualifying Facilities*, Case No. GNR-E-11-01 (IPUC).

[3] *Re Investigation Into Determination of Resource Sufficiency*, Order No. 10-488 at 1-2 (Dec. 22, 2010).

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

the Company's resource position would not be used to calculate its avoided costs. The Commission noted that, "administrative efficiency interests . . . justify authorizing Idaho Power to continue using the SAR methodology to calculate avoided costs regardless of its resource position."[4] The Commission specifically recognized that Idaho Power exclusively uses the SAR methodology in its Idaho service territory, "where it serves far more customers than its Oregon service territory . . ." and that "the costs of developing and applying new avoided cost methodologies in Oregon outweigh the potential benefits."[5]

Currently in Idaho, the published avoided cost rate is available to wind and solar QFs that are 100 kW or less and all other types of QF projects that are up to 10 aMW in size. The published avoided cost rate is based upon the SAR methodology. The SAR methodology uses a natural gas-fired combined cycle combustion turbine ("CCCT") as the proxy resource avoided by the purchase of the QF's output. This methodology is highly dependent on forecast natural gas prices and calculates the avoided cost based on a limited number of factors. Moreover, using the natural gas-fired CCCT is no longer representative of typical QFs that are transacting, or seeking to transact, with Idaho Power, most of which are large wind or solar projects whose generation profile is intermittent in nature. Therefore, the Company has asked the IPUC to authorize it to use the IRP methodology rather than the SAR method, to determine the avoided cost rate.[6]

III. DISCUSSION

A. The IRP Methodology Is More Comprehensive than the SAR Methodology.

The IRP methodology uses the Company's current IRP along with its power cost model, AURORA, to develop an avoided cost rate that considers a wide range of relevant

---

[4] *Re Public Utility Commission of Oregon Staff's Investigation Relating to Electric Utility Purchases from Qualifying Facilities*, Docket UM 1129, Order No.0 5-584 at 26 (May 13, 2005).

[5] Order No. 05-584 at 26.

[6] *See generally* IPUC Case Nos. GNR-E-10-04 and GNR-E-11-01.

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

factors and results in a rate that more accurately reflects the actual costs the Company avoids by purchasing the energy and capacity from a QF. This method takes into account the generation profile of the proposed QF project and values the energy based on future market prices calculated in the model. Capacity costs are based on the IRP's cost estimate for a CCCT and this component is added to the value of the energy to establish the total avoided cost rate. The IRP methodology ties into the same process, procedures, and analysis that the Company utilizes in its Commission-approved IRP planning process to acquire its other generation resources to meet its obligation to reliably serve customer load in its service territory. Thus, the focus of the inquiry is not solely on the specific resource that is avoided, but rather, on a holistic examination of the actual costs that the Company will avoid as a result of its acquisition of energy and capacity from a QF. As compared to the SAR methodology, the IRP methodology yields a rate that is more reflective of the actual energy and capacity value provided by each type of QF.

1. Calculating the Avoided Cost Rate Using the IRP Methodology.

As indicated by its name, the IRP methodology begins with the Company's most recent Commission acknowledged IRP. This IRP considers a range of load forecasts for various sets of possible economic conditions. The IRP also considers all possible resources for meeting load, including both supply and demand side resources. Thus, the IRP considers existing resources, the ability to import electricity, and the performance of current demand-side management ("DSM") programs, which are accounted for in the load and resource balance. The IRP also considers risks and uncertainties associated with each scenario examined and ultimately results in a preferred resource portfolio. The preferred portfolio is selected on the basis that it is the best combination of expected costs and associated risks and uncertainties for the utility and its customers.

Using the preferred portfolio from the Company's acknowledged resource plan, the first step in the IRP methodology calculates the present value of revenue requirements

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

("PVRR") of the preferred portfolio over a 20-year planning horizon. This "base case" calculation is performed using the AURORA model and is done as part of the IRP analysis.

The Company then performs a second simulation analysis in AURORA, including the QF resource and the energy Idaho Power would expect to receive from the QF project (the "Study Case"). In the Study Case, the AURORA model is used to simulate how the energy received from a proposed QF project would displace the cost of other resources in the preferred portfolio identified in Idaho Power's IRP. The total cost of the Study Case is then compared to the total cost of the preferred portfolio from the IRP, with the difference being the gross avoided cost of energy.

Next, a capacity (fixed) cost credit using a CCCT generator as a surrogate resource is added to the value of the energy calculated in the AURORA model. The fixed cost credit is based on the QF project's capacity factor during the hours from 3:00 p.m. to 7:00 p.m. in the month of July. A 90th percentile criterion is used to determine the capacity factor for intermittent and variable generation projects (e.g. wind and solar), which is consistent with the peak-hour planning criteria Idaho Power uses in the IRP process. The stream of annual avoided costs (for energy and capacity) is uniformly escalated and then discounted using Idaho Power's weighted average cost of capital to establish a levelized avoided cost rate for the proposed QF project.

While the IRP methodology has been previously used to develop negotiated rates for specific projects on an individual basis, this same methodology could be applied to develop a set of standard, resource-specific avoided cost rates that would completely replace the SAR-based rate. The IRP methodology provides numerous advantages over the SAR methodology. For example, the IRP methodology considers numerous factors including Idaho Power's actual need for the power and the Company's planned resource acquisitions from its preferred resource portfolio in its Commission-acknowledged IRP. It examines the specific generation characteristics of the QF and its availability to serve load during daily

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

and seasonal peaks. The SAR methodology, on the other hand, calculates the avoided cost based on a generic gas-fired CCCT and relies heavily on the Northwest Power and Conservation Council's natural gas price forecast to determine a rate, which results in a less accurate representation of an electric utility's actual avoided costs.

2. Idaho Power Has Extensive Experience with the IRP Methodology.

For over 16 years, Idaho Power has used the IRP methodology as the starting point in negotiations to calculate an avoided cost rate for large QFs in Idaho.[7] The Company has requested that the IPUC approve a broader application of the IRP methodology to all QFs with a capacity greater than 100 kW.[8] The Company has also requested that the IPUC approve the use of the IRP methodology for establishing a published rate similar to the proposal here. In addition to using this method in Idaho, the IRP methodology also forms the basis for the Company's large QF avoided cost rates in Oregon (*i.e.* larger than 10 MW).

The Commission has previously recognized the value of administrative efficiency for Idaho Power and authorized it to calculate its published avoided cost rate in Oregon consistent with the method approved by the IPUC. Because the Company is seeking this same treatment in Idaho, it requests that the Commission authorize it to use the IRP methodology to determine is avoided cost rate in Oregon.

3. The IRP Methodology Is Consistent with Both Federal and State Law.

Federal law mandates that rates under PURPA be just and reasonable, not discriminate, and not exceed the utility's avoided cost.[9] The avoided cost is defined in PURPA as, "the cost to the electric utility of the electric energy which, but for the purchase

---

[7] *See* Schedule 85 at 8-9.

[8] *See generally Re Commission's Investigation into Disaggregation and an Appropriate Published Avoided Cost Rate Eligibility Cap Structure for PURPA Qualifying Facilities*, Case No. GNR-E-11-01 (IPUC).

[9] *See* 16 U.S.C. §§ 824a-3(b), (d) (rates for purchases by utilities must be at the avoided cost); *and* 18 C.F.R. § 292.304(a)(2) (electric utilities are not required to pay more than avoided costs).

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

from [the QF], such utility would generate or purchase from another source."[10] This requirement ensures that a utility's customers remain indifferent to the purchase of QF power and that QFs are not subsidized at ratepayers' expense.[11] The Commission has made clear that when determining the avoided cost, the overriding goal is to ensure that a utility's customers are unaffected by the purchase of the QF's output and that QF transactions create no additional costs for the ratepayer.[12] In discussing PURPA, the Commission noted: "We seek to provide maximum incentive for the development of QFs of all sizes, while ensuring that ratepayers remain indifferent to QF power by having utilities pay no more than their avoided costs."[13]

FERC's regulations set forth specific factors that can be considered when determining the avoided costs. Among these factors are the following:

(1) The availability of capacity or energy from a QF during the system daily and seasonal peak periods;

(2) The ability of the utility to dispatch the qualifying facility;

(3) The expected or demonstrated reliability of the qualifying facility;

(4) The individual and aggregate value of energy and capacity from QFs on the utility's system; and

---

[10] 16 U.S.C. § 824a-3.

[11] *Independent Energy Producers Association v. California Public Utilities Comm'n*, 36 F.3d 848, 858 (9th Cir. 1994) ("If purchase rates are set at the utility's avoided cost, consumers are not forced to subsidize QFs because they are paying the same amount they would have paid if the utility had generated energy itself or purchased energy elsewhere.").

[12] *See* Order No. 07-360 at 1.

[13] Order No. 05-584 at 11; *see also In the Matter of Staff's Investigation Relating to Electric Utility Purchases from Qualifying Facilities*, Docket UM 1129, Order No. 07-360 at 1 (Aug. 20, 2007) (PURPA is designed "to encourage the economically efficient development of QFs, while protecting ratepayers by ensuring that utilities incur costs no greater than they would have incurred in lieu of purchasing QF power.").

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

(5) The relationship of the availability of energy or capacity from the QF to the ability of the utility to avoid costs, including the deferral of capacity additions and the reduction of fossil fuel use.[14]

The avoided cost rate can also specifically account for the technology used by the QF "on the basis of the supply characteristics" of the technology.[15] FERC has noted that this provision must be read in concert with the avoided cost requirement.[16] Thus, the particular supply characteristics of a renewable resource, *e.g.* the intermittent and variable nature of wind generation, can be (and should be) considered when determining the actual costs the utility avoids because of the purchase of electricity from the QF.

The IRP methodology is consistent with PURPA's mandates and its underlying policy. The methodology results in more accurate avoided costs because it determines the cost based on a more comprehensive examination of the impact on the Company resulting from the purchase of electricity from the QF. In doing so, it more accurately reflects the costs "that the utility would generate itself or purchase from another source but for the purchase from a [QF]."[17]

To the extent that the method differentiates among resources, *e.g.* by using the specific generation profile of the QF to determine the avoided cost, it is also consistent with FERC's regulations, which specifically authorize the avoided cost calculation to differentiate among resources "on the basis of the supply characteristics" of the technology, to take into account the ability of the QF to provide energy and capacity during system peaks, and to consider the relationship of the availability of energy or capacity from the QF to the ability of

---

[14] 18 C.F.R. § 292.304(e).

[15] *See* 18 C.F.R. § 292.304(c)(3)(ii) (avoided cost rates "may differentiate among qualifying facilities using various technologies on the basis of the supply characteristics of the different technologies").

[16] *Southern California Edison Co.*, 70 F.E.R.C. P 61,215 at n. 15 (Feb. 23, 1995).

[17] ORS 758.505(1); *see also* OAR 860-029-0010(1).

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

the utility to actually avoid costs.[18] The IRP methodology includes in its analysis all of these factors.[19]

IV. DISCUSSION OF SUBSTANTIVE ISSUES

A. Should the Commission require that each utility determine its avoided cost for a renewable resource? If so, how should the Commission decide what renewable resource would be avoided and at what cost?

The Commission should require Idaho Power to use the IRP methodology to determine the avoided cost of renewable QF resources. For Idaho Power, this renewable avoided cost, however, should not be uniform across all types of renewable generators. Because each type of generator, *e.g.* wind, solar, or geothermal, has unique supply characteristics, Idaho Power proposes developing an avoided cost rate for each type of resource using a representative generation profile for that resource type for the Company's system and service territory using the IRP methodology. Developing resource-specific avoided costs better reflects the actual costs avoided by Idaho Power by transacting with the QF.

1. Should the IRP Action Plan be used to identify when a renewable resource acquisition would be avoided, or should a utility purchase of unbundled RECs signal the start of a renewable resource deficiency period?

In the Company's IRP methodology, the IRP Action Plan is used to develop the resource-specific avoided cost because the methodology includes in its calculation the

---

[18] *See* 18 C.F.R. § 292.304(c)(3)(ii) and (e).

[19] In Order No. 10-488 the Commission specifically noted that FERC had issued an order on October 21, 2010, that had implications on the issues in this proceeding. In that FERC order, and the subsequent order denying rehearing in the same docket, FERC clarified that under PURPA a state commission may adopt a multi-tiered avoided cost rate structure for renewable QFs based upon the avoidance of costs resulting from a state-mandated procurement requirement. *California Public Utilities Commission*,133 F.E.R.C. P 61,059 (October 21, 2010); *California Public Utilities Commission*, 134 F.E.R.C. P 61,044 (Jan. 20, 2011). Because Idaho Power has no mandated procurement requirements until 2020 and 2025 (for the solar capacity standard and Renewable Portfolio Standards ("RPS") respectively), these orders are not material to the Company's current proposal. *See* ORS 469A.055 (RPS applies in 2025); ORS 757.370 and OAR 860-084-0020(3) (500 kW solar capacity standard applies in 2020).

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

Company's planned resource acquisitions. The IRP methodology determines the actual costs, including the reduced costs associated with planned resource acquisitions, that are avoided because of the energy and capacity provided by the QF. This results in a more accurate calculation of the actual costs avoided by Idaho Power. In this context, the Company agrees that the IRP Action Plan should be considered when determining the avoided cost for renewable resources. Developing an avoided cost specific to each type of renewable resource better reflects the Company's actual avoided cost and the value of the energy and capacity provided by the QF and theoretically displaced on the Company's system.

2. Should out-of-state RPS be taken into account when determining when a renewable resource can be avoided by a purchase from an Oregon QF?

It is important to point out that the Commission's rules state: "unless otherwise agreed to by separate contract, the owner of the renewable energy facility retains ownership of the [renewable energy credits] associated with the electricity the facility generates and sells to an electric company pursuant to" a PURPA contract.[20] Thus, the energy a utility purchases from a QF in Oregon is not renewable energy for purposes of Oregon's renewable portfolio standards ("RPS") because the utility cannot use that energy for RPS compliance.[21] Accordingly, whether an RPS should be taken into account is immaterial to the determination of when a utility is avoiding renewable resources because whether a utility acquires renewable QF resources does not affect whether it can avoid acquiring non-QF renewable resources for the purpose of RPS compliance. In other words, when a utility acquires renewable QF energy in Oregon, the utility is not avoiding anything, and, in fact, may have to acquire additional renewable, intermittent generation above and beyond what it purchases from QFs to comply with state RPS requirements. A change in current

---

[20] OAR 860-022-0075(2)(b).

[21] *See* ORS 469A.070 (utilities must comply with RPS using bundled or unbundled RECs).

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

Commission policy regarding the role of renewable energy credits ("RECs") in the utility-QF transaction is necessary to consider the interplay between renewable QF purchases and utility compliance with state RPS requirements.

3. Should the renewable avoided cost be based on the estimated cost of the renewable resources identified in the IRP Action Plan, or should the Commission use a "proxy" resource approach similar to the current approach used by PGE and PacifiCorp for standard avoided costs?

Under its proposed IRP methodology, Idaho Power would develop a standard avoided cost rate for each type of generator. For example, wind and solar generators produce vastly different generation profiles. Wind is a variable energy resource that generates intermittently and unpredictably throughout heavy and light load hours. Solar, on the other hand, is less intermittent and tends to provide generation during Idaho Power's system peaks (*i.e.* daytime and/or summer months). These vastly different supply characteristics warrant different avoided costs because a wind QF allows the Company to avoid different costs than does a solar QF.

4. When should the renewable avoided cost stream reflect an avoided purchase of an unbundled REC?

As described above, when an electric utility in Oregon purchases energy from a renewable QF generator, it does not receive any of the environmental attributes associated with that energy. Thus, an electric utility does not avoid the need to purchase an unbundled REC (or purchase other renewable energy) when it purchases energy from a renewable QF.

B. Should the Commission require that a renewable QF be able to choose among two avoided cost streams—the renewable avoided cost stream, and the non-renewable avoided cost stream?

No. As discussed above, allowing a QF to choose an avoided cost stream that does not accurately reflect the actual costs avoided by the utility by acquiring that QFs output results in the utility paying a rate that is not the avoided cost. The IRP methodology develops avoided cost rates specific to the type of generator, based upon many factors

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

including the supply characteristics of the generator, the timing of the generator's electricity delivery, and the costs the utility actually avoids by purchasing the QF output. This method ensures that customers remain indifferent to QF transactions and pay no more than they would if the utility were obtaining that electricity from another source. Allowing QFs to pick and choose among different avoided costs violates PURPA's most basic mandate that rates paid to a QF do not exceed a utility's avoided cost and that customers remain neutral and indifferent to the QF transaction.

C. When is a planned resource acquisition avoidable?

1. If no irreversible commitment has been made to the project, is the project avoidable?

The use of the Company's proposed IRP methodology makes this determination less important to the avoided cost calculation because the avoided cost is not determined based exclusively on when a similar resource acquisition was planned. Notwithstanding this fact, the Company believes that *for purposes of determining the avoided cost* a project is avoidable up until the Company commits material resources to the development and/or acquisition of the resource. This determination will be fact-specific and therefore should be determined on a case-by-case basis.

2. What constitutes an irreversible commitment?

See the discussion above.

V. DISCUSSION OF PROCEDURAL ISSUES

A. Which of these issues should be the subject of evidentiary proceedings?

At this time the Company believes that there are no issues that necessarily require an evidentiary proceeding. The Company reserves the right to modify this position after reviewing other parties' comments and participating in the workshop scheduled for this docket.

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205

B. Should the evidentiary proceedings be generic, or conducted on a utility-by-utility basis?

To the extent evidentiary proceedings are necessary, it may be advantageous to have them conducted on a utility-by-utility basis in light of the fact that Idaho Power's proposal is specific to its unique circumstances.

VI. CONCLUSION

Idaho Power appreciates the opportunity to file these comments and looks forward to continuing to work with Staff and stakeholders in the upcoming workshop.

DATED: May 13, 2011.

McDOWELL RACKNER & GIBSON PC

Lisa F. Rackner
Adam Lowney

IDAHO POWER COMPANY

Jason Williams
Corporate Counsel
PO Box 70
Boise, ID 83707

Attorneys for Idaho Power Company

McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205