

e-FILING REPORT COVER SHEET

REPORT NAME: Solar Photovoltaic Pilot Program Resource Value Report

COMPANY NAME: Idaho Power Company

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION?  No  Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation:  RE (Electric)  RG (Gas)  RW (Water)  
 RO (Other)

Report is required by:  OAR 860-084-0370(1)  
 Statute  
 Order 12-396  
 Other

Is this report associated with a specific docket/case?  No  Yes  
If Yes, enter docket number: UM 1559

Key words:

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
- Natural Gas Rates and Planning
- Utility Safety, Reliability & Security
- Administrative Hearings Division
- Consumer Services Section

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- **Any daily safety or safety incident reports or**
- **Accident reports required by ORS 654.715.**

LISA D. NORDSTROM  
Lead Counsel  
[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

November 1, 2012

**VIA ELECTRONIC FILING AND U.S. MAIL**

Attention: Filing Center  
Public Utility Commission of Oregon  
550 Capitol Street NE, Suite 215  
P.O. Box 2148  
Salem, Oregon 97308-2148

Re: UM 1559  
Investigation into the Appropriate Calculation of Resource Value for Solar  
Photovoltaic (PV) Systems

Dear Filing Center:

Enclosed for filing in Docket UM 1559 are an original and one copy of Idaho Power Company's Solar Photovoltaic Pilot Program Resource Value Report. A copy of this filing has been served on all parties to this proceeding as indicated on the Certificate of Service.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Lisa D. Nordstrom

LDN:csb  
Enclosures

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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1559**

In the Matter of  
PUBLIC UTILITY COMMISSION OF  
OREGON  
Investigation into the Appropriate  
Calculation of Resource Value for Solar  
Photovoltaic (PV) Systems.

**IDAHO POWER COMPANY'S SOLAR  
PHOTOVOLTAIC PILOT PROGRAM  
RESOURCE VALUE REPORT**

**I. INTRODUCTION**

In compliance with Public Utility Commission of Oregon ("Commission") Order No. 12-396, Idaho Power Company ("Idaho Power" or "Company") files this report as directed in that Order to meet the November 1, 2012, filing requirement set forth in OAR 860-084-0370(1).

**II. REPORT**

As directed in Docket UM 1559, Order No. 12-396, Idaho Power calculated the Company's estimate of the 15-year levelized "resource value" of the electricity delivered by Solar Photovoltaic ("SPV") systems in the Oregon SPV Pilot Program as follows:

Order No. 12-396 directs the utilities to report the SPV resource value based on the following three methodologies:

1. The standard avoided cost methodology (with none of the proposed adjustments);
2. The renewable avoided cost methodology (with none of the proposed adjustments); and
3. An IRP modeling methodology to calculate the energy value of solar systems based on the incremental addition of 20 megawatts of solar capacity (showing system cost differences hourly and monthly peak and off-peak). The utility shall also calculate the corresponding capacity value using the effective load carrying capability method.

Order No. 12-396, pp. 4-5.

1           **1.     Standard Avoided Cost Methodology (\$62.57/Megawatt-Hour (“MWh”)).**

2 Idaho Power calculated the resource value using the standard avoided cost methodology  
3 from the Company’s tariff Schedule 85 (Idaho Power’s Public Utility Regulatory Policies Act  
4 of 1978 schedule). These prices were updated this year and approved by the Commission  
5 in Order No. 12-146. Idaho Power previously provided in this docket (UM 1559) the 15-  
6 year levelized resource value of an SPV project based on the Schedule 85 energy prices.  
7 The 15-year levelized resource value of energy and capacity is \$62.57/MWh as shown on  
8 Attachment 1, attached hereto and incorporated herein by this reference.

9           **2.     Renewable Avoided Cost Methodology (\$0.00/MWh).** Idaho Power has

10 not been required to calculate and file a renewable avoided cost price because Idaho  
11 Power has no current Renewable Portfolio Standard to meet under ORS 469.A055 until  
12 2025. Consequently, the renewable avoided cost for Idaho Power in Oregon is \$0.00.  
13 However, should the Commission desire that Idaho Power make the required assumptions  
14 to calculate a hypothetical renewable avoided cost number to report a SPV resource value,  
15 the Company requests that it be given additional time to determine how such a rate would  
16 be calculated and to develop this methodology to produce a number.

17           As identified in Idaho Power’s 2011 Integrated Resource Plan (“IRP”), the next  
18 planned renewable resource addition is a geothermal plant in 2021. Because this resource  
19 is identified in the second 10-year period of the IRP, as part of the long-term future planning  
20 and not part of the near-term action plan, the actual development of a geothermal resource  
21 in 2021 is somewhat speculative. In addition, the costs assumed to be applicable to a  
22 geothermal resource in year 2021 are future estimates. With the next planned renewable  
23 resource from Idaho Power’s IRP being in 2021, Idaho Power would be in a resource  
24 sufficient position for the majority of years applicable to a 15-year levelized resource value  
25 for the SPV program. Consequently, during the resource sufficiency period, the market-  
26 based rate would likely be a close approximation for this number.



1 **CERTIFICATE OF SERVICE**

2 I hereby certify that I served a true and correct copy of the foregoing document in  
3 Docket UM 1559 on the following named person(s) on the date indicated below by e-mail  
4 and/or first-class mail addressed to said person(s) at his or her last-known address(es)  
5 indicated below.

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DATED: November 1, 2012

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McDowell, Rackner & Gibson PC  
[adam@mcd-law.com](mailto:adam@mcd-law.com)

  
Christa Barry, Administrative Assistant

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

IDAHO POWER COMPANY

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Attachment 1  
Oregon Standard Avoided Cost

**Standard Avoided Cost Methodology (Idaho Power tariff Schedule 85)**

Idaho Power Company Oregon Schedule 85 Cogeneration and Small Power Production Standard Contract Rates April 25, 2012			
Discount Rate (2011 IRP)		7.00%	
<u>Year</u>	<u>Capacity Cost (\$/MWh)</u>	<u>Fuel Cost (Energy) (\$/MWh)</u>	
2013	Resource Sufficiency Period (2013-2015)	\$31.14	
2014		\$37.00	
2015		\$40.00	
2016	\$13.56	\$44.41	
2017	\$13.97	\$46.73	
2018	\$14.39	\$49.33	
2019	\$14.82	\$51.93	
2020	\$15.26	\$54.68	
2021	\$15.72	\$57.64	
2022	\$16.20	\$60.81	
2023	\$16.68	\$64.05	
2024	\$17.18	\$67.50	
2025	\$17.70	\$71.25	
2026	\$18.23	\$74.99	
<u>2027</u>	<u>\$18.77</u>	<u>\$79.08</u>	<u>Total</u>
<b>15-year levelized</b>	\$11.15	\$51.42	<b>\$62.57</b>

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

IDAHO POWER COMPANY

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Attachment 2  
IRP Methodology with ELCC Capacity

IRP Methodology with ELCC for Capacity Cost

Idaho Power Company

Cogeneration and Small Power Production

UM 1559 - Resource Valuation

November 1, 2012

20 MW Solar Photovoltaic Project

Annual Average Resource Value and 15 year Levelized Value

7.00% Discount Rate

	Energy Payment		Capacity Payment (ELCC Method)		Total
	Energy Payment (\$/MWh)	Calculated (\$/MWh)	Capacity Payment (\$/MWh)	Calculated (\$/MWh)	
2013	\$1,134,256.06	\$28.60	Resource	\$0.00	\$1,134,256.06
2014	\$1,144,990.25	\$28.87	Sufficiency Period (2013-2015)	\$0.00	\$1,144,990.25
2015	\$1,212,021.78	\$30.56		\$0.00	\$1,212,021.78
2016	\$1,254,939.52	\$31.55	\$360,471.72	\$9.06	\$1,615,411.24
2017	\$1,305,424.09	\$32.91	\$707,605.76	\$17.84	\$2,013,029.85
2018	\$1,348,775.20	\$34.01	\$708,795.68	\$17.87	\$2,057,570.88
2019	\$1,392,843.61	\$35.12	\$709,985.60	\$17.90	\$2,102,829.21
2020	\$1,468,182.44	\$36.91	\$712,477.71	\$17.91	\$2,180,660.15
2021	\$1,526,338.19	\$38.48	\$712,762.08	\$17.97	\$2,239,100.27
2022	\$1,655,554.94	\$41.74	\$713,952.00	\$18.00	\$2,369,506.94
2023	\$1,752,048.67	\$44.17	\$715,538.56	\$18.04	\$2,467,587.23
2024	\$1,789,678.38	\$44.99	\$718,047.05	\$18.05	\$2,507,725.43
2025	\$1,832,726.33	\$46.21	\$718,315.04	\$18.11	\$2,551,041.37
2026	\$1,945,126.14	\$49.04	\$719,901.60	\$18.15	\$2,665,027.74
2027	\$2,069,731.33	\$52.18	\$721,488.16	\$18.19	\$2,791,219.49
<b>15-year Levelized (\$/MWh)</b>		<b>\$36.30</b>		<b>\$12.05</b>	<b>\$48.35</b>