

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1730

In the Matter of)	
)	
IDAHO POWER COMPANY’S,)	RENEWABLE ENERGY COALITION
)	RESPONSE IN OPPOSITION TO
Application to Update Schedule 85)	IDAHO POWER COMPANY’S
Qualifying Facility Information.)	APPLICATION FOR
)	RECONSIDERATION
)	
_____)	

I. INTRODUCTION

Pursuant to OAR § 860-001-0720(4), the Renewable Energy Coalition (“REC”) submits this response in opposition to Idaho Power Company’s (“Idaho Power”) Application for Reconsideration (“Application”). The Oregon Public Utility Commission (the “Commission”) should reject Idaho Power’s Application because the company has failed to identify any new evidence that was unavailable at the time of the Commission’s order, errors of law or policy, or good cause for further examination. The Commission committed no error of law or policy when it concluded that Idaho Power’s request is contrary to the Commission’s policy regarding annual avoided cost updates. Specifically, the Commission appropriately found that Idaho Power should not be able to update its capacity deficit or resource sufficiency/deficiency demarcation outside of an acknowledged integrated resource plan (“IRP”) or IRP update. Finally, Idaho Power neglected to raise all of these arguments before the Commission reached its decision, and Idaho Power does not argue that this information was unavailable prior to the meeting, or any good cause why this information was not presented earlier.

II. BACKGROUND

On May 1, 2015, Idaho Power filed a request to revise its avoided cost rates. The request was docketed as UM 1730, and was submitted to be in compliance with the Commission's Order No. 14-015 in UM 1610 that requires annual avoided cost updates. Idaho Power included two sets of updated avoided cost rates: 1) those with a 2016 capacity deficit consistent with its last acknowledged IRP; and 2) those with a 2021 capacity deficit. Idaho Power stated that the 2021 capacity deficit was included to be consistent with Idaho Power's recommendation for adjusting its capacity deficit that was made in UM 1725. No further explanation or support was provided.

Idaho Power's filing in UM 1725, *inter alia*, requested a temporary stay of its PURPA obligations or other interim relief, including an extension of its resource sufficiency period to 2021. The Commission rejected both Idaho Power's request to stay its PURPA obligations and its for an immediate revision of its resource sufficiency period. Order No. 15-199 at 6-7. Instead, the Commission lowered the size threshold for solar QFs to three megawatts. Id. The Commission concluded that would consider Idaho Power's request to change its resource sufficiency period and other requests after a full evidentiary proceeding. Id. at 7.

In its public meeting report in this proceeding (UM 1730), Staff recommended that the Commission reject Idaho Power's request to change its resource sufficiency period and revise its capacity deficit to 2021. While Idaho Power had an opportunity to submit comments before or at the public meeting, the company declined to do so.

On July 8, 2015, Idaho Power sought reconsideration of Order No. 15-204. Idaho Power does not explain why it did not raise its factual and policy issues prior to the issuance of Order No. 15-204 or seeking reconsideration.

III. RESPONSE

A. Legal Standard

The Commission may grant an application for rehearing or reconsideration if sufficient reason is provided. ORS § 756.561. The Commission's rules identify the grounds upon which reconsideration may be granted. OAR § 860-0001-0720(3). Specifically, the applicant must show that there is: 1) new evidence that is essential to the decision and that was unavailable and not reasonably discoverable before issuance of the order; 2) a change in the law or policy since the date the order was issued relating to an issue essential to the decision; 3) an error of law or fact in the order that is essential to the decision; or 4) good cause for further examination of an issue essential to the decision.

Id.

B. There was no error essential to Order No. 15-204 or good cause that warrants reconsideration

Idaho Power claims that Staff's assertion that Idaho Power could have updated its IRP is an error of fact that warrants reconsideration of Order No. 15-204. Idaho Power argues that there was no need for the company file an IRP update and that it would be unreasonable for it to have updated its IRP. Regardless, Idaho Power does not demonstrate that it actually filed or that the Commission acknowledged an IRP update. Thus, the Staff's factual assertions are correct, and there was no error of fact or other grounds for reconsideration.

In UM 1610, the Commission adopted a policy of allowing utilities to file annual avoided cost updates on May 1. The purpose of the annual update was to allow quick and non-controversial avoided cost rate changes, and the Commission limited the potential factors to those things are capable of easy verification or that have received significant vetting. The Commission specifically identifying the following allowable four changes:

- (1) Updated natural gas prices;
- (2) On- and off-peak forward-looking electricity market prices;
- (3) Changes to the status of the Production Tax Credit; and
- (4) Any other action or change in an acknowledged IRP update relevant to the calculation of avoided costs.

Order No. 14-058 at 25-26. The Commission Staff relied upon this language when recommending that the 2016 capacity deficit be retained because Idaho Power had not filed an update or obtained acknowledgement of an IRP update. Staff Report at 4.

The Commission recognized that annual updates would not allow the utilities to update their resource sufficiency or capacity deficit periods in annual updates, unless such a change was included in an acknowledged IRP update. PacifiCorp argued in UM 1610 that the annual update should allow a utility to change the demarcation between resource sufficiency and deficiency. Order No. 14-058 at 24-25. The Commission, however, rejected this approach when adopting a far more limited set of updates. *Id.* at 25-26.

Idaho Power's Application demonstrates the need to keep the annual updates limited to only clear and specific changes. Idaho Power asserts that, even though its capacity deficit change was not part of an acknowledged IRP update, the change should be allowed because there was no need to file an update, it would not have been reasonable to file an update to only change the capacity deficit, and/or it would have been

inefficient to file an update. Application at 5-6. These arguments are creative attempts to get around the fact that Idaho Power did not actually file an IRP update and the Commission has not acknowledged any IRP update. Parties will always be able to argue some specific factor, input or assumption is important enough plain meaning of the Commission's order should be ignored. The point of having clear factors for annual updates, however, is to prevent parties from making exactly these sorts of arguments with the purpose of cherry picking specific items that they believe should be updated.

Regardless of whether Idaho Power could have or whether it was reasonable to file an IRP update, the fact remains that the Commission has not acknowledged or approved Idaho Power's proposed 2016 capacity deficit. Not only has the Commission not acknowledged Idaho Power's proposed change in the resource sufficiency period, the Commission specifically rejected Idaho Power's proposal to allow for an update of its capacity deficit on an interim basis in UM 1725. The Commission concluded that it will conduct a full evidentiary proceeding to evaluate the company's proposal. Idaho Power's Application is essentially seeking to obtain the relief that the Commission already rejected twice in two separate proceedings in less than one month.

Finally, Idaho Power fails to explain why it did not raise these factual arguments earlier. Idaho Power's original request to update its avoided costs rates with a new capacity deficit is lacking explanation, only asserting that it is consistent with its filing UM 1725. REC understood that Idaho Power was seeking to have the issue addressed in UM 1725, and that it was only seeking consistency between these two proceedings. Thus, REC addressed the issue in its pleadings in UM 1725. Idaho Power also had an

opportunity to submit its arguments in writing before the public meeting, or orally at the public meeting. Idaho Power again opted not to support its request or even state that it disagreed with the Staff recommendation. It cannot now claim substantial error warranting reconsideration when the company did not believe it important enough to raise its concerns before the Commission issued its order.

IV. CONCLUSION

Idaho Power has failed to demonstrate there were any errors of fact or law, or explain why it failed to raise its concerns to the Commission until after Order No. 15-204 was issued. Therefore, the Commission should deny Idaho Power's Application.

Dated this 23rd day of July 2015.

Respectfully submitted,

A handwritten signature in black ink that reads "Irion Sanger". The signature is written in a cursive style with a large initial "I" and a long, sweeping underline.

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