

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 74

In the Matter of
IDAHO POWER COMPANY,
2019 Integrated Resource Plan.

Renewable Northwest's
Comments on Staff Report

March 19, 2021

I. INTRODUCTION

Renewable Northwest thanks the Oregon Public Utility Commission (the "OPUC" or the "Commission") and OPUC Staff ("Staff") for this opportunity to comment on Staff's Report regarding Idaho Power Company's ("Idaho Power") 2019 Second Amended Integrated Resource Plan ("IRP"). In previous comments, RNW supported the changes to Idaho Power's portfolio analysis, including the accelerated Valmy retirement, procurement of new solar resources, and the development of new transmission as a least-cost and carbon-free supply-side resource. Renewable NW also strongly encouraged Idaho Power to study wind and solar resources paired with batteries (hybrid resources), and standalone battery energy storage systems (BESS) for the 2021 IRP. We indicated that these resources could supply energy during peak demand in addition to providing grid services necessary to maintain the supply and demand balance. We also expressed our support for Idaho Power's work to economically retire five of seven coal-fired generating units by the end of 2026 and exit from the remaining two at Jim Bridger by the end of the 2020s. We are encouraged by the efforts that Idaho Power is taking to ensure that it is on track to meet its target of 100% clean energy by 2045, and we look forward to continued engagement in development of the 2021 IRP.

II. COMMENTS

1. General Support for Staff's Recommendations on Storage

Renewable Northwest appreciates Idaho Power's effort in amending their initial IRP to account for updated cost parameters related to their coal analysis as well as recognition that emerging resources such as demand response and battery storage can play a significant role in achieving the company's target of 100% clean energy resources by 2045. As stated in our previous comments, another emerging resource type -- hybrid renewables, or solar/wind paired with battery storage -- could help the company reach a decarbonized resource mix by shifting energy in time for delivery during hours when net demand is highest. Thus, we support staff's

recommendation to eliminate the 80 MW cap on battery storage as well as solar paired with storage that stymies selection of cost-effective clean resources in the resource portfolios.

Additionally, we recommend modeling multiple configurations of solar plus storage power plants in the 2021 IRP cycle to provide the model the flexibility to select resources based on operational characteristics rather than legacy inputs as has been conducted in the past. The multiple configurations include AC-coupled and DC-coupled solar and wind paired with multiple durations (2-, 4-, and 6-hour) of Li-ion and flow battery storage systems. Renewable Northwest would be happy to follow up on the technical aspect of modeling these resources including setting inputs, assumptions, and parameters to efficiently include these as supply-side resource options in the next IRP cycle.

2. Purpose and Scope of the VER Integration Study

In the action items emerging from the IRP, Idaho Power mentions the need to conduct additional variable energy resources (or VER) integration studies since the system may be nearing a point where current reserve-providing resources such as dispatchable thermal and hydro will no longer be able to integrate additional VERs without reserve shortfalls. We appreciate Staff's pointing out that the portfolio modeling did select additional solar resources in light of impending coal retirements, making it clear that imposing additional reserve requirements may be unnecessary. In our previous comments, we suggested that robust stakeholder participation and collaboration are key because "stronger participation by knowledgeable parties will help to ensure accurate study results and facilitate greater integration of new, cost-effective renewable resources." VER Integration studies typically vary on a utility-to-utility basis, each working off its own inputs and assumptions on issues ranging from methodology to reserve definitions to the data that is collected and utilized. Renewable Northwest would be interested in participating and leveraging inputs from its diverse membership to ensure that Idaho Power's VER Integration Study reflects current industry trends in solar and wind energy as well as sub-hourly modeling capabilities.

3. Valmy Unit 2 Reliability Analysis

In the IRP, Idaho Power selected a 2022 exit date for Valmy Unit 2 based on the results of the cost modeling used to evaluate all resource selections in the IRP process. In our previous comments, we supported the modeling adjustments that resulted in the accelerated economic retirement of Valmy Unit 2. Subsequently, Idaho Power and Staff came to a common understanding that additional analysis is required to study the economic and reliability consequences of an early retirement. Although such analysis may result in a repetitive modeling exercise, Renewable Northwest along with Idaho Conservation League and Sierra Club filed a

joint letter¹ to Idaho Power addressing some concerns and questions regarding the scope and purpose of this analysis. In the letter, we provided some additional considerations and modeling adjustments that the reliability analysis could factor in to ensure that Idaho Power is on track to procure cost-effective and non-emitting resources to replace the capacity need emerging out of the retirement -- and, concurrently, to meet its clean energy targets without compromising reliability. We are pleased to recognize that the Company has been receptive to our feedback and we will be providing more inputs as the analysis continues.

III. CONCLUSION

Renewable Northwest again thanks the Commission for this opportunity to comment on Idaho Power's 2019 IRP. We generally support acknowledgment of the IRP with direction from the Commission that the company remove the 80 MW storage cap and include more hybrid resource configurations in its next IRP.

Respectfully submitted this 19th day of March, 2021,

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¹ Letter to Idaho Power Company regarding Valmy Unit 2 Retirement Analysis - Renewable Northwest, Idaho Conservation League and Sierra Club. Filed on February 23, 2021.

<https://drive.google.com/file/d/1q7jcejzUUbgewoBj86pD7bVVFVXMSEO/view>